



Health Services
Los Angeles County Department of Health Services

Los Angeles County
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September 07, 2010

The Honorable Board of Supervisors
 County of Los Angeles
 383 Kenneth Hahn Hall of Administration
 500 West Temple Street
 Los Angeles, California 90012

Dear Supervisors:

**AMENDMENTS TO PROPOSITION A DIETARY SERVICES AND
 NON-PROPOSITION A CONCESSION SERVICES AGREEMENTS
 (ALL DISTRICTS)
 (4 VOTES)**

SUBJECT

Request approval to extend the term of the Proposition A dietary services and non-Proposition A concession services Agreements at various Department of Health Services facilities.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached Proposition A (Prop A) Amendment No. 14 to Agreement No. 70295 with Morrison Management Specialists, Inc., dba Morrison Health Care, Inc. (Morrison), effective upon execution, to extend the term of the Agreement for the period of October 1, 2010 through December 31, 2010, for the continued provision of dietary services at Harbor-UCLA Medical Center (Harbor) at an estimated cost of \$1,283,529.
2. Approve and instruct the Chair to sign the attached Prop A Amendment No. 5 to Agreement No. 74158 with Morrison, effective upon execution, to extend the term of the Agreement for the period of October 1, 2010 through December 31, 2010, for the continued provision of dietary and concession

services at LAC+USC Medical Center (LAC+USC), at an estimated cost of \$2,583,273.

3. Approve and instruct the Chair to sign the attached Prop A Amendment No. 14 to Agreement No. 70294 with Morrison, effective upon execution, to extend the term of the Agreement for the period of October 1, 2010 through December 31, 2010, for the continued provision of dietary services at Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC), and Hubert H. Humphrey Comprehensive Health Center (Humphrey) at an estimated cost of \$351,332.

4. Approve and instruct the Chair to sign the attached Prop A Amendment No. 15 to Agreement No. 70694 with Morrison, effective upon execution, to extend the term of the Agreement for the period of October 1, 2010 through December 31, 2010, for the continued provision of dietary and concession services at Olive View-UCLA Medical Center (Olive View) and registered dietitian services at High Desert Health System (High Desert) at an estimated cost of \$1,039,220.

5. Approve and instruct the Chair to sign the attached Prop A Amendment No. 15 to Agreement No. 68444 with Sodexo Operations, LLC (Sodexo), effective upon execution, to extend the term of the Agreement for the period of October 1, 2010 through December 31, 2010, for the continued provision of dietary and concession services at Rancho Los Amigos National Rehabilitation Center (Rancho), at an estimated cost of \$1,068,435.

6. Authorize the Interim Director of Health Services, or his designee, to execute the attached non-Prop A Amendment No. 15 to Agreement No. H-211094 with Morrison, effective upon execution, to extend the term of the Agreement for the period of October 1, 2010 through December 31, 2010, for the continued provision of concession services at Harbor, with estimated revenue of \$19,500.

7. Delegate authority to the Interim Director, or his designee, to extend services on a month-to-month basis for an additional three-month period, effective January 1, 2011 through March 31, 2011 without any further action required.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Dietary and concession cafeteria services at Department of Health Services (DHS) facilities are provided pursuant to six separate agreements which currently expire on September 30, 2010. Approval of the first five recommendations will ensure the agreements for services at Harbor, LAC+USC, Olive View, High Desert, and Rancho, and dietary services only at MLK-MACC and Humphrey are extended through December 31, 2010. Approval of recommendation six will allow the Interim Director to execute an amendment to extend public cafeteria services at Harbor through December 31, 2010.

The additional extension period is necessary to allow DHS time to complete the Request For Proposals (RFP) process. Following your Board's approval of the most recent agreement extensions on March 9, 2010, DHS concluded contract negotiations with the top ranked proposer, Sodexo

Operations, LLC. The second ranked proposer, Morrison Health Care Inc. subsequently requested a Proposed Contractor Selection Review, which is the initial step in the County's Protest Policy. Due to the complexity of the solicitation and the resultant proposals, Morrison made numerous Public Record Requests for related documents in order to prepare the protest request and also requested an extension for submission of the protest, which DHS granted. The Department has completed the Proposed Contractor Selection Review and the RFP results remain unchanged. Morrison has received the Department's findings in the Proposed Contractor Selection Review and may still request a County Review Panel.

Although DHS believes that the requested three-month extensions will allow sufficient time to conclude the protest process and return for your Board's approval of a successor Agreement, the seventh recommendation will provide DHS with delegated authority to extend services on a month-to-month basis for an additional three-month period, effective January 1, 2011 through March 31, 2011. This further extension will be used only if additional time is required to complete the protest process and recommend the successor agreement.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated cost for each facility during the recommended extension period is as follows: \$1,283,529 for Harbor; \$2,583,273 for LAC+USC; \$339,029 for MLK-MACC; \$12,303 for Humphrey; \$1,026,401 for Olive View; \$12,819 for High Desert; and \$1,068,435 for Rancho, for a total of \$6,325,789. Estimated revenue at Harbor for the cafeteria services is \$19,500 for the three-month extension period. Funding is included in DHS Fiscal Year 2010-11 Adopted Budget and will be requested in future years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Harbor and MLK-MACC

On September 3, 1996, your Board approved Agreements with Morrison to provide dietary services at Harbor and MLK/Drew Medical Center effective September 1, 1996 through February 29, 2004. Subsequently, on December 1, 2009, your Board approved additional Amendments to extend the term through March 31, 2010. MLK-MACC's dietary services currently include services to the patients of the Augustus Hawkins facility, residents and volunteers. A part-time Registered Dietician was added to Humphrey to accommodate patients who previously went to MLK for nutrition classes for diabetes and HIV. Subsequent amendments extended the term through September 30, 2010. MLK-MACC's concession services are currently provided under a separate Chief Executive Office (CEO) agreement that continues until cancelled. Under the RFP, both the dietary and the concession services were solicited and will be included in a single successor agreement.

LAC+USC

Since 1995, DHS has contracted with Morrison for the provision of dietary services at LAC+USC. As a result of an RFP released in June 2001, Morrison was the selected contractor to provide services under a new Agreement effective October 1, 2002 through September 30, 2007, with authority to

extend for up to six months through March 31, 2008. On March 25, 2008, your Board approved an Amendment that incorporated the concession services previously provided under a CEO contract and extended the Agreement, effective April 1, 2008 through September 30, 2009. Subsequent amendments extended the term through September 30, 2010.

Olive View

On May 13, 1997, your Board approved an Agreement with Morrison to provide dietary and concession services at Olive View, effective June 1, 1997 through November 30, 2002. Subsequent amendments extended the term through September 30, 2010. The Agreement for clinical nutrition and concession services for High Desert Health Systems (High Desert) expired on June 30, 2010. The clinical nutrition services were added to the Olive View Agreement under delegated authority for the period of July 1, 2010 through September 30, 2010. DHS is adding the clinical nutrition services required by High Desert to this Agreement. In the RFP, High Desert's clinical nutrition services needs were added to Olive View's dietary and concession services.

Rancho

On July 18, 1995, your Board approved an Agreement with Sodexo to provide dietary and concession services at Rancho, effective August 1, 1995 through January 31, 2003. Subsequent amendments extended the term through September 30, 2010.

Harbor - Concession Services

On May 9, 2000, your Board approved a revenue concession Agreement with Morrison for the provision of concession services at Harbor through February 29, 2004. Subsequent amendments extended the term through September 30, 2010. Under the RFP, these services are combined with the dietary services so that there will be a single successor agreement.

All Amendments

All the dietary and concession contracts have the current Living Wage language and the contractors are in compliance with the Living Wage Program.

County Counsel has reviewed and approved Attachments I (Harbor – Dietary Services), II (LAC +USC), III (MLK-MACC), IV (Olive View), V (Rancho), and VI (Harbor – Concession Services) as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval will allow for the continued provision of dietary and concession services at Harbor, LAC+USC, MLK-MACC, Humphrey, Olive View, High Desert, and Rancho.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:jc

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors